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Federal Communications Commission
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ICO

October 15, 2007

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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

2007 ANNUAL REPORT

Re: File No. SAT-MOD-20070806-00110

Dear Ms. Dortch:

Pursuant to Section 25.143(e) of the Commission's rules,¹ New ICO Satellite Services G.P. ("ICO") submits the enclosed annual report on the status of its 2 GHz mobile satellite service system. In accordance with Section 25.143(e), a copy of this filing is being submitted to the Commission's Columbia Operations Center in Columbia, Maryland.

Please direct any questions about this submission to the undersigned.

Respectfully submitted,


Suzanne Hutchings Malloy

cc: Helen Domenici
Roderick Porter
John Giusti
Gardner Foster
Robert J. Nelson

¹ 47 C.F.R. § 25.143(e).

ANNUAL SECTION 25.143(e) REPORT

Pursuant to Section 25.143(e) of the Commission's rules, New ICO Satellite Services G.P. ("ICO") submits the following information, current as of September 30, 2007.

1. Status of satellite construction and anticipated launch dates, including any major problems or delays encountered.

ICO holds a letter of intent ("LOI") authorization to provide 2 GHz mobile satellite service ("MSS") to the United States through a geostationary satellite orbit ("GSO") system.¹ To date, physical construction of ICO's GSO satellite, the ICO G1, is nearly complete. All construction-related FCC milestones have been achieved, and the ICO G1 satellite is in the final stages of testing and assembly prior to launch.

On February 2, 2007, the Commission granted an extension of ICO's four remaining milestones to allow it to address and resolve unanticipated manufacturing issues related to a limited number of satellite components.² Only two non-construction-related FCC milestones (*i.e.*, launching the satellite and certifying system operation) remain.³ Additionally, ICO has paid its satellite manufacturer, Space Systems/Loral ("SS/L"), more than 90 percent of the total satellite contract price.⁴

ICO contracted with Lockheed Martin Commercial Launch Services ("LMCLS") for the launch of the ICO G1 on an Atlas V launch vehicle. On August 2, 2007, LMCLS notified ICO that it was exercising its rights under the parties' launch contract to postpone the launch of the ICO G1 satellite as a result of delays caused by a minor launch anomaly investigation and attendant resolution, coupled with unforeseen spacecraft processing issues that caused delays to the Atlas launches earlier in 2007. The ICO G1 launch slot was rescheduled to the earliest available launch opportunity, from November 1 – 30, 2007, to December 15, 2007 – January 15, 2008. On August 6, 2007, ICO filed a request to extend the remaining two milestones to accommodate the unanticipated launch delays. That milestone extension request is pending before the Commission.⁵ On September 13, 2007, pursuant to Section 1.65 of the Commission's rules, ICO informed the Commission that due to the continued investigation of an Atlas V launch anomaly by LMCLS, the next scheduled Atlas V launch date had not been established and the remaining Atlas manifest must be adjusted.⁶ Accordingly, the ICO G1 satellite may be required to launch later than the December 15, 2007 – January 15, 2008 launch slot

¹ See *ICO Satellite Services G.P.*, 20 FCC Rcd 9797 (IB 2005).

² See *New ICO Satellite Services G.P.*, 22 FCC Rcd 2229, ¶ 1 (IB 2007).

³ *Id.*

⁴ The satellite contract price does not include in-orbit incentives and other incentive payments, which are payable after launch of the ICO G1 satellite.

⁵ See ICO Modification Application, FCC File No. SAT-MOD-20070806-00110 (Aug. 6, 2007).

⁶ See Letter from Suzanne Hutchings Malloy, New ICO Satellite Services G.P., to Marlene H. Dortch, Secretary, Federal Communications Commission, File No. SAT-MOD-20070806-00110 (Sep. 13, 2007).

requested in ICO's pending milestone extension request. As of the date of the filing of this annual report, LMCLS has not yet informed ICO of the new launch manifest schedule or requested a launch slot adjustment.

2. Listing of any non-scheduled space station outages for more than 30 minutes and the cause or causes of the outage.

Not applicable.

3. Detailed description of the utilization made of the in-orbit satellite system (including percentage of time that the system is actually used for U.S. domestic or transborder transmission, the amount of capacity (if any) sold but not in service within U.S. territorial geographic areas, the amount of unused system capacity and, if applicable, the actual number of subscriber minutes originating or terminating in unserved areas within the unserved areas expansion spectrum as a percentage of the actual U.S. system use).

Not applicable.

4. Identification of any space stations not available for service or otherwise not performing to specifications, the cause or causes of these difficulties and the date any space station was taken out of service or the malfunction identified.

Not applicable.